

TOWN OF MARINGOUIN, LOUISIANA**FINANCIAL STATEMENTS**

September 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/16/10

TOWN OF MARINGOUIN, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Town Council Members
Town of Maringouin, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maringouin (the Town), as of and for the year ended September 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Maringouin, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit contains consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maringouin, Louisiana, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 44 through 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2010, on our consideration of the Town of Maringouin, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The information included in the statistical information on pages S-1 through S-11 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Postlethwaite & McElwain

March 30, 2010

TOWN OF MARINGOUIN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of the Town of Maringouin's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the Town's financial statements, which begin on page 14. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements which begin on Exhibit A.

FINANCIAL HIGHLIGHTS

In 2009 the Town of Maringouin experienced a customary year financially as both governmental revenues and expenditures increased relative to prior years. Certain funds experienced operating surpluses during 2009 from increases experienced in capital grants and capital lease proceeds.

The major financial highlights for 2009 are as follows.

- Assets of the Town's primary government exceeded its liabilities at the close of the year by approximately \$5.765 million (net assets). Of this amount, approximately \$978,000 (unrestricted net assets) may be used without restrictions to meet the Town's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by approximately \$34,000 during 2009.

Governmental activities' net assets increased by \$395,000, primarily the result of an increase in sales tax revenues.

Business-type total net assets decreased by approximately \$362,000.

- As of the end of the year, the primary government's governmental funds reported combined fund balances of approximately \$1.394 million, an increase of \$453,000 in comparison to the prior year. Approximately 9.5% of the fund balances, \$132,000, is committed to fire protection activities.

Significant aspects of the Town's financial well being as of and for the year ended September 30, 2009 are detailed throughout this analysis.

USING THIS ANNUAL REPORT

The Town's financial statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Town's accountability.

This annual report consists of a series of financial statements. The government-wide Statement of Net Assets and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 16. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting on the Town as a Whole

Our analysis of the Town as a whole begins on page 14. The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way to determine if the Town is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Town's net assets and related changes. You can think of the Town's net assets—the difference between assets and liabilities—as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property and sales tax base and the condition of the Town's roads and buildings, to assess the overall health of the Town.

In the Statement of Net Assets and the Statement of Activities we divide the Town into two kinds of activities, governmental and business-type.

Governmental activities - Most of the Town's basic services are reported here, including public safety, roads and streets, debt service, and general administration. Property and sales taxes, franchise fees, and state and federal grants finance most of these activities.

Business-type activities – The Town charges a fee to customers to help it cover the cost of certain services it provides. The Town provides utility services to its residents that include gas, water distribution, and wastewater treatment, which is all reported here.

At September 30, 2009, the Town's net assets were \$5.844 million, of which \$1.057 million was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Town's ability to use those net assets for day-to-day operations.

Our analysis below of the primary government focuses on the net assets and change in net assets of the Town's governmental activities.

Town of Maringouin, Louisiana
Statement of Net Assets
September 30, 2009 and 2008
(in thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$1,442	\$ 998	\$ 88	\$ 429	\$1,530	\$1,427
Capital assets	<u>1,174</u>	<u>1,273</u>	<u>5,535</u>	<u>5,645</u>	<u>6,709</u>	<u>6,918</u>
Total assets	<u>2,616</u>	<u>2,271</u>	<u>5,623</u>	<u>6,074</u>	<u>8,239</u>	<u>8,345</u>
Current and other liabilities	53	61	108	240	161	301
Long-term liabilities	<u>282</u>	<u>324</u>	<u>2,032</u>	<u>1,989</u>	<u>2,314</u>	<u>2,313</u>
Total liabilities	<u>335</u>	<u>385</u>	<u>2,140</u>	<u>2,229</u>	<u>2,475</u>	<u>2,614</u>
Net assets:						
Invested in capital assets,						
net of related debt	948	945	3,501	3,614	4,449	4,559
Restricted	132	140	205	189	337	329
Unrestricted	<u>1,201</u>	<u>801</u>	<u>(223)</u>	<u>42</u>	<u>978</u>	<u>843</u>
Total net assets	<u>\$2,281</u>	<u>\$1,886</u>	<u>\$3,483</u>	<u>\$3,845</u>	<u>\$5,764</u>	<u>\$5,731</u>

Net assets of the Town's governmental activities increased by approximately 21% or \$396,000 during 2009. Unrestricted net assets represent the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$978,000 in unrestricted net assets of governmental activities represents the accumulated results of operations, or the residual that would remain after the Town paid off all its the debt. The changes in net assets are discussed later in this analysis.

The net assets of the Town's business activities decreased by approximately \$286,000 during 2009. The Town operates natural gas, water distribution, and wastewater treatment systems. The primary focus of this activity is to operate on a profitable basis. This decrease is largely due to a decrease in utility sales of approximately \$44,000. Additionally, the Town recorded approximately \$215,000 of depreciation on capital assets from utility operations.

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities are as follows:

Town of Maringouin, Louisiana
Changes in Net Assets
September 30, 2009 and 2008
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 104	\$ 23	\$ 591	\$ 635	\$ 695	\$ 658
Capital grants and contributions	47	80	-	-	47	80
General revenues:						
Ad Valorem taxes	13	13	-	-	13	13
Sales taxes	1,118	854	-	-	1,118	854
Other general revenues	97	95	31	10	128	105
Total revenues	<u>1,379</u>	<u>1,065</u>	<u>622</u>	<u>645</u>	<u>2,001</u>	<u>1,710</u>
Functions/Program Expenses:						
General government	266	247	-	-	266	247
Public safety	387	370	-	-	387	370
Roads and streets	319	250	-	-	319	250
Utility operations	-	-	984	1,098	984	1,098
Interest on long-term debt	11	9	-	-	11	9
Total expenses	<u>983</u>	<u>876</u>	<u>984</u>	<u>1,098</u>	<u>1,967</u>	<u>1,974</u>
Increase(Decrease) in net assets	396	189	(362)	(453)	34	(264)
Beginning net assets	<u>1,885</u>	<u>1,696</u>	<u>3,845</u>	<u>4,298</u>	<u>5,730</u>	<u>5,994</u>
Ending net assets	<u>\$2,281</u>	<u>\$1,885</u>	<u>\$3,483</u>	<u>\$3,845</u>	<u>\$5,764</u>	<u>\$5,730</u>

The increase in total governmental net assets between 2009 and 2008 primarily relates to increases in sales and use tax revenues.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. These statements focus on the major funds rather than generic fund types.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 16 with the fund financial statements that provide detailed information about the most significant funds and not the Town as a whole. Some funds are required to be established by state law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities, reported in the Statement of Net Assets and the Statement of Activities, and governmental funds is described in a reconciliation to the financial statements. The governmental major funds presentation (Exhibits A-2 and A-4) is presented using the modified accrual basis of accounting and focuses on the major funds of the Town.

Proprietary funds—When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we report in the government-wide statements but more detail and additional information, such as cash flows, is provided for proprietary funds.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's major funds.

Certain supplementary financial information can be found in the statistical information (Pages S-1 through S-5). This information is included for additional information and analysis and does not constitute a part of the basic financial statements.

Financial Analysis of the Government's Funds

The general government operations of the Town are accounted for in the General Fund and Special Revenue Fund entitled the Fire Protection Fund. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. The following is a summary of general governmental operations for 2009 and 2008 by fund type:

	(in thousands)			
	2009		2008	
	General Fund	Special Revenue Fund	Totals	Totals
Revenues	\$ 1,202	\$ 175	\$ 1,377	\$ 1,243
Expenditures	741	183	924	1,021
Surplus	461	(8)	453	222
Beginning fund balance	801	140	941	719
Ending fund balance	<u>\$ 1,262</u>	<u>\$ 132</u>	<u>\$ 1,394</u>	<u>\$ 941</u>

The Town's governmental funds experienced an increase in fund balance of \$456,000 during 2009, primarily due to an increase in sales tax revenue. At year end fund balances were approximately \$1.397 million. Approximately \$1.265 million is unrestricted and available for utilization at the Town's discretion. The remainder of the fund balance, or about \$132,000 has been committed to funding fire protection activities.

The General Fund is the chief operating fund of the Town. At the end of the 2009 fiscal year, the balance in the General Fund was approximately \$1.265 million, compared to a balance of \$801,000 at September 30, 2008. The increase in fund balance resulted from an operating surplus of \$464,000, which was \$120,000 greater than the \$344,000 surplus budgeted by the Town. This variation is primarily due to actual expenditures being \$194,000 less than budgeted expenditures for the year.

The Town's other major fund is the Fire Protection Fund. The significant change to the Fire Protection Fund was the reduction of both revenues and expenses in 2009 over the previous year, since the previous year included the purchase of a fire truck for which debt was issued.

Sources of governmental revenues excluding other financing sources are summarized below.

Source of Revenue	(in thousands)			
	2009		2008	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 1,161	84%	\$ 938	88%
Licenses and permits	50	4%	12	1%
Intergovernmental	97	7%	80	8%
Miscellaneous	70	5%	35	3%
Total	<u>\$ 1,378</u>	<u>100%</u>	<u>\$ 1,065</u>	<u>100%</u>

Revenues of the primary government for general governmental fund types for 2009 totaled \$1,378,000, compared with \$1,065,000 for 2008, representing a \$313,000 (29%) increase. The increase in revenue is due primarily to increased sales taxes.

Expenditures of the primary government decreased by \$100,000 in 2009. Expenditures for general governmental functions for each major function are summarized in the following table.

Function	(in thousands)			
	2009		2008	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 249	27%	\$ 231	23%
Public safety	336	36%	254	25%
Roads and streets	250	27%	256	25%
Capital outlay	33	4%	250	24%
Debt service	54	6%	31	3%
Total	<u>\$ 922</u>	<u>100%</u>	<u>\$ 1,022</u>	<u>100%</u>

The largest decrease in spending, \$217,000, occurred in capital outlay. Expenditures of the Town's other activities were consistent with the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Town's General Fund budget was amended on one occasion. The amendment of the operating and capital budgets is a customary practice of the Town and is reflective of the financial changes that occur throughout the fiscal year. The most significant reasons for these budget amendments during 2009 were

- To reflect an increase of sales tax revenue and federal grants received in 2009 above the amounts originally budgeted at the beginning of the year; and
- To increase operating expenditures based on management directives during 2009 for certain key areas identified.

With these adjustments, the actual charges to appropriations (expenditures) were \$194,000 less than the related final budget appropriations of \$932,000, primarily due to the absence of capital outlay expenditures in the current year.

The Town experienced increased insurance expenditures in all departments, in particular for employee health and the Town's general liability coverage.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009 the Town had \$6.7 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, roads, and utility systems. This amount represents a net decrease of approximately \$210,000, or 3%, over last year and is related primarily to depreciation in 2009. The Town's capital assets, net of depreciation, at September 30, 2009 were as follows:

	Governmental Activities	Business-type Activities	Totals
Land	\$ 166	\$ 9	\$ 175
Buildings	68	7	75
Equipment and vehicles	248	117	365
Utility plant	-	5,402	5,402
Infrastructure	692	-	692
Total assets, net of depreciation	\$ 1,174	\$ 5,535	\$ 6,709

The major capital addition for 2009 was \$88,000 to purchase an excavator.

The Town's final 2009 capital outlay budget provided for expenditures of \$170,000, primarily for general government equipment purchases. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Debt

At year-end the Town had \$2.3 million in long-term debt outstanding, comparable to the previous year due to a new loan used to purchase an excavator, as shown below:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Revenue bonds	\$ 1,989,181	\$ -	\$ 26,063	\$ 1,963,118
General obligation debt:				
Certificate of indebtedness	85,000	-	27,000	58,000
Claims payable	60,184	-	-	60,184
Note payable	-	78,243	9,394	68,849
Capital lease	178,947	-	14,911	164,036
	<u>\$ 2,313,312</u>	<u>\$ 78,243</u>	<u>\$ 77,368</u>	<u>\$ 2,314,187</u>

The state of Louisiana limits the amount of general obligation debt that municipalities can issue to 35% of the assessed value of all taxable property within the Town's corporate limits. The Town's outstanding general obligation debt of \$118,184 is significantly below this \$1.3 million state-imposed limit. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the 2010 fiscal year budget and tax rates, including the national and state economies. The largest taxpayers in the Town are primarily companies involved in the oil refining and petrochemical processing sectors which are located throughout Iberville Parish. The spending activities of these industries can significantly impact the Town's sales and use tax revenues. With the high price of fuel, including natural gas, adversely affecting their operations in recent years, these companies have reduced both personnel levels and the rate of plant expansion, if any. As a result, the Town's economy has been impacted by the financial concerns of these major industries.

A second important factor affecting the budget is the Town's sales tax collections which are approximately 42% of total budgeted revenues. The Town budgeted a \$130,000 decrease in total sales tax collections for 2010. The 2010 operating budget expenditures provide for increases in salaries, employee health insurance, workers compensation insurance, retirement system contributions, and vehicle operating expenses. For 2010, revenues are budgeted at \$2.47 million while expenditures are expected to be \$2.35 million. If these estimates are realized, the Town's budgetary fund balances are expected to increase by approximately \$125,000 at the close of the 2010 fiscal year.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Town's Finance Office at (225) 625-2630 or P.O. Box 10, Maringouin, Louisiana, 70757.

TOWN OF MARINGOUIN, LOUISIANA
STATEMENT OF NET ASSETS

September 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 606,989	\$ 4,003	\$ 610,992
Investments	226,103	138,039	364,142
Accounts receivable, net	63,582	44,684	108,266
Due from other governments	160,448	-	160,448
Internal balances	383,043	(383,043)	-
Prepaid insurance	1,953	-	1,953
Restricted assets	-	284,857	284,857
Capital assets:			
Not being depreciated	165,515	8,852	174,367
Net of accumulated depreciation	<u>1,008,582</u>	<u>5,526,050</u>	<u>6,534,632</u>
Total assets	<u>\$ 2,616,215</u>	<u>\$ 5,623,442</u>	<u>\$ 8,239,657</u>
LIABILITIES			
Accounts payable	36,397	28,099	64,496
Accrued expenses	16,035	-	16,035
Customer deposits	-	79,895	79,895
Noncurrent liabilities:			
Due within one year	103,691	47,394	151,085
Due in more than one year	<u>178,529</u>	<u>1,984,573</u>	<u>2,163,102</u>
Total liabilities	<u>334,652</u>	<u>2,139,961</u>	<u>2,474,613</u>
NET ASSETS			
Invested in capital assets, net of related debt	948,017	3,501,590	4,449,607
Restricted for:			
Debt service and capital projects	-	204,962	204,962
Other purposes	132,024	-	132,024
Unrestricted	<u>1,201,522</u>	<u>(223,071)</u>	<u>978,451</u>
Total net assets	<u>2,281,563</u>	<u>3,483,481</u>	<u>5,765,044</u>
Total liabilities and net assets	<u>2,616,215</u>	<u>5,623,442</u>	<u>8,239,657</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2009

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 266,342	\$ 46,670	\$ -	\$ 47,491	\$ (172,181)	\$ -	\$ (172,181)
Public safety:							
Police	273,634	8,236	-	-	(265,398)	-	(265,398)
Fire	113,028	-	-	-	(113,028)	-	(113,028)
Roads and streets	317,992	49,470	-	-	(268,522)	-	(268,522)
Interest on long-term debt	10,972	-	-	-	(10,972)	-	(10,972)
Total governmental activities	981,968	104,376	-	47,491	(830,101)	-	(830,101)
Business-type activities:							
Utility operations	984,557	590,706	-	-	-	(393,851)	(393,851)
Total primary government	\$ 1,966,525	\$ 695,082	\$ -	\$ 47,491	(830,101)	(393,851)	(1,223,952)
General revenues:							
Taxes:							
Ad valorem					12,863	-	12,863
Sales and use					1,117,635	-	1,117,635
Insurance premium					34,081	-	34,081
Other					483	26,303	26,786
Investment earnings					61,009	5,833	66,842
Total general revenues					1,226,071	32,136	1,258,207
Change in net assets					395,970	(361,715)	34,255
Net assets - beginning of year, restated					1,885,593	3,845,196	5,730,789
Net assets - end of year					\$ 2,281,563	\$ 3,483,481	\$ 5,765,044

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2009

	General Fund	Fire Protection Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 485,263	\$ 121,726	\$ 606,989
Investments, at cost	226,103	-	226,103
Accounts receivable, net	63,582	-	63,582
Prepaid items	-	1,953	1,953
Due from other funds	383,043	-	383,043
Due from other governmental units	151,401	9,047	160,448
Total assets	<u>\$ 1,309,392</u>	<u>\$ 132,726</u>	<u>\$ 1,442,118</u>
LIABILITIES			
Accounts payable	\$ 35,695	\$ 702	\$ 36,397
Accrued expenses	11,991	-	11,991
Total liabilities	<u>47,686</u>	<u>702</u>	<u>48,388</u>
FUND BALANCE			
Reserved	-	132,024	132,024
Unreserved	1,261,706	-	1,261,706
Total fund balance	<u>1,261,706</u>	<u>132,024</u>	<u>1,393,730</u>
Total liabilities and fund balance	<u>\$ 1,309,392</u>	<u>\$ 132,726</u>	<u>\$ 1,442,118</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

September 30, 2009

Total fund balances - governmental funds (Exhibit A-2)	\$ 1,393,730
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Total net assets reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	1,174,097
---	-----------

Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable

\$ (4,044)

Long-term debt

(282,220)	(286,264)
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Net assets of governmental activities (Exhibit A)	<u>\$ 2,281,563</u>
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TOWN OF MARINGOUIN, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the year ended September 30, 2009

	General Fund	Fire Protection Fund	Total Governmental Funds
REVENUES			
Taxes:			
Sales and use	\$ 979,276	\$ 138,359	\$ 1,117,635
Insurance premium	34,081	-	34,081
Ad valorem	12,863	-	12,863
Other	483	-	483
Licenses and permits	46,670	-	46,670
Fines	8,236	-	8,236
Intergovernmental	96,961	-	96,961
Miscellaneous	23,925	37,084	61,009
Total revenues	<u>1,202,495</u>	<u>175,443</u>	<u>1,377,938</u>
EXPENDITURES			
General government	248,799	-	248,799
Public safety:			
Police	244,772	-	244,772
Fire	-	96,510	96,510
Roads and streets	248,203	-	248,203
Capital outlay	-	33,291	33,291
Debt service	-	53,642	53,642
Total expenditures	<u>741,774</u>	<u>183,443</u>	<u>925,217</u>
Excess (deficiency) of revenues over expenditures	460,721	(8,000)	452,721
FUND BALANCE			
Beginning of year	<u>800,985</u>	<u>140,024</u>	<u>941,009</u>
End of year	<u>\$ 1,261,706</u>	<u>\$ 132,024</u>	<u>\$ 1,393,730</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2009

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 452,721

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the *statement of activities*, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.

Capital outlay	\$ 59,673	
Depreciation expense	<u>(159,094)</u>	(99,421)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Principal payments on debt	41,911
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest expense	<u>759</u>
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Change in net assets of governmental activities (Exhibit A-1)	<u>\$ 395,970</u>
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TOWN OF MARINGOUIN, LOUISIANA
PROPRIETARY FUND - PUBLIC UTILITY FUND

STATEMENT OF NET ASSETS

September 30, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,003
Investments	138,039
Accounts receivable, net	<u>44,684</u>
Total current assets	186,726

Noncurrent asset:

Restricted cash	284,857
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Capital assets:

Not being depreciated	8,852
Net of accumulated depreciation	<u>5,526,050</u>

Total assets	<u><u>\$ 6,006,485</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ 28,099
Customer deposits	79,895
Due to other funds	383,043
Current portion of long-term debt	<u>47,394</u>

Total current liabilities	538,431
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Long-term debt	<u>1,984,573</u>
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Total liabilities	<u><u>2,523,004</u></u>
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NET ASSETS

Invested in capital assets, net of related debt	3,501,590
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Restricted for:

Debt service and capital projects	204,962
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Unrestricted	<u>(223,071)</u>
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Total net assets	<u>3,483,481</u>
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Total liabilities and net assets	<u><u>\$ 6,006,485</u></u>
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Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA
PROPRIETARY FUND - PUBLIC UTILITY FUND

**STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS**

For the year ended September 30, 2009

OPERATING REVENUES

Charges for services:

Gas sales	\$ 182,894
Water sales	255,521
Sewer user fees	117,468
Late payment charges	16,786
Utility service connection fees	10,040
Recovery of bad debt	26,303
Other operating revenue	<u>7,997</u>
Total operating revenues	<u>617,009</u>

OPERATING EXPENSES

Gas purchased	210,688
Depreciation	215,220
Salaries and related taxes and benefits	185,825
Repairs and maintenance	145,714
Utilities	40,561
Professional services	28,788
Insurance	28,644
Billing supplies and expense	6,893
Vehicle expense	6,439
Uniforms	600
Postage	231
Other operating expenses	<u>14,515</u>
Total operating expenses	<u>884,118</u>
Operating loss	(267,109)

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA
PROPRIETARY FUND - PUBLIC UTILITY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

For the year ended September 30, 2009

NONOPERATING

Interest on bond indebtedness	(100,439)
Interest income	<u>5,833</u>

Total nonoperating	<u>(94,606)</u>
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Net decrease in net assets	(361,715)
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NET ASSETS

Beginning of year, restated	<u>3,845,196</u>
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End of year	<u>\$ 3,483,481</u>
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**TOWN OF MARINGOUIN, LOUISIANA
PROPRIETARY FUND - UTILITY FUND**

Exhibit A-8

STATEMENT OF CASH FLOWS

For the year ended September 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 606,952
Payments to suppliers	(495,004)
Payments to employees	<u>(185,825)</u>
Net cash used for operating activities	<u>(73,877)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Changes in customer meter deposits and restricted cash	(16,034)
Issuance of loans due from other funds	<u>253,043</u>
Net cash provided by noncapital financing activities	<u>237,009</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Capital asset additions	(104,918)
Principal paid on revenue bonds	(35,457)
Interest paid on revenue bonds	(100,439)
Proceeds from issuance of debt	<u>78,243</u>
Net cash used for capital and related financing activities	<u>(162,571)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease in investments	(3,367)
Interest income	<u>5,833</u>
Net cash provided by investing activities	<u>2,466</u>
Net decrease in cash	3,027

CASH

Beginning of period	<u>976</u>
End of period	<u><u>\$ 4,003</u></u>

RECONCILIATION OF OPERATING LOSS TO

NET CASH USED FOR OPERATING ACTIVITIES:

Operating loss	\$ (267,109)
Adjustments of operating income:	
Decrease to allowance for doubtful accounts	(26,303)
Depreciation	215,220
Change in operating assets and liabilities:	
Accounts receivable	16,246
Accounts payable and accrued liabilities	<u>(11,931)</u>
Net cash used for operating activities	<u><u>\$ (73,877)</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the Town of Maringouin, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. The more significant accounting policies established in GAAP and used by the Town are described below.

In June 1999 the GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34). Certain of the significant changes in the Statement include the following:

- Providing a Management’s Discussion and Analysis (MD&A) section which includes an analysis of the Town’s overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the Town’s activities; and
- A change in the fund financial statements to focus on the major funds.

Reporting Entity

For reporting purposes the Town of Maringouin, as the municipal governing authority, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Maringouin for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Maringouin and, where applicable, its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government (the Town) and the fund financial statements (individual major funds and combined non-major funds). In 2009, there were no non-major funds. The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Business-type activities are financed in whole or part by fees charged to external parties for utility services provided. The Town's utility services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB 34. Emphasis is now on the major funds in either the governmental or business-type categories. Nonmajor funds (by category or fund type) are summarized into a single column.

The daily operations of the Town continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town (the General Fund) or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Also, the Town may elect to treat any fund as a major fund that may not meet the above criteria.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described below.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused on changes in financial position rather than net income. The following are the governmental fund types of the Town:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Town has elected to treat the Fire Protection Fund, a special revenue fund, as a major fund.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. The Town has no debt service funds.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The Town has no capital projects funds.

Proprietary Fund Types

Enterprise Funds - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund, the Utility Fund, is considered a major fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property (Ad Valorem) taxes are recognized in the year for which they are levied.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues are recorded as earned since they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, include sales and use taxes, ad valorem taxes, and federal and state aid and grants.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments, which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

Cash and Cash Equivalents

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts, and money market accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of ninety days or more are classified as investments.

Consolidated bank accounts have been established for the Town into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" are therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its pro rata share of investments made through the investment of excess cash.

The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions. The Town invests funds in accordance with La. R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully-collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town utilizes the Louisiana Asset Management Pool to invest idle funds.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. Also, see Note 2.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

In the government-wide statements receivables consist of all revenues earned at year-end and not yet received. For governmental activities uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$163,448 was recorded at September 30, 2009.

Inventories

The Town does not record any inventories of materials or supplies. These items are recorded as expenditures when purchased rather than when consumed. Materials and supplies on hand at year end are not considered material and, accordingly, the failure to record such inventories is not considered to be a significant departure from generally accepted accounting principles.

Interfund Receivables and Payables

During the course of operations transactions may occur between individual funds. Those related to short-term borrowings are classified as "Due from other funds" or "Due to other funds" on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized upon completion of the construction projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB 34 the infrastructure assets of the Town's governmental funds were capitalized but not depreciated. These assets are comprised of the streets maintained by the Town and have been valued at historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is recorded over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and structures	15-25 years
Equipment	5-10 years
Furniture and fixtures	10 years
Vehicles	5 years
Utility system	13-40 years
Infrastructure	20 years

Fund Financial Statements

In the fund financial statements capital acquisition and construction costs used in governmental fund operations are not capitalized and depreciated, but instead are reflected as expenditures in the governmental funds.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. The Town has capitalized \$38,788 in interest costs associated with sewer improvements in prior years.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Debt (Continued)

In the government-wide statement of net assets and in the proprietary fund financial statements, long-term debt is reported as a liability. Bond issuance costs are reported as deferred charges and amortized over the term of the bond. The long-term debt consists primarily of utility revenue bonds and certificates of indebtedness for public improvements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Instead, the debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements. The Town is not obligated for any special assessment debt.

Compensated Absences

GASB Statement No. 16 provides that vacation leave should be accrued as a liability as the benefits are earned if (1) the rights to receive the compensation are attributable to services already rendered and, (2) it is probable that the employee will be compensated through paid time off or cash payment upon termination or retirement. Permanent, full-time employees earn annual leave on the anniversary date of their employment based upon years of service. Such leave may not carry over or accumulate from one anniversary date to another. Additionally, since vacation leave is not paid upon retirement or termination, there is no accrual of the liability for unused vacation leave.

GASB Statement No. 16 requires the accrual for sick leave to the extent it is probable that benefits will be paid in cash upon termination or retirement rather than as payments for absences due to illness or other contingency. Sick leave is earned at the rate of one day per month to a maximum of ten days per year, and no more than thirty days may be accumulated at any time. Policy provides that sick leave is paid only for designated absences and that no payment for accrued sick leave is made upon retirement or termination. Therefore, accrual of the liability for unused sick leave is not required.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, or the laws or regulations of other governments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves and Designations of Equity

Some portions of fund balance or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure. Designated portions of fund balance or retained earnings indicate tentative future spending plans which may be changed and are subject to subsequent authorization before expenditures can be made. The Town has made the following reserves and designations of equity: (a) restricted for debt service, and (b) designated for the Fire Protection Fund.

Interfund Transfers

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. No transfers have been made by the Town.

Budget Policies and Budgetary Accounting

The Town follows the following procedures in establishing the budgetary data reflected in the financial statements.

1. The Town Clerk and Mayor prepare a proposed budget and submit it to the Town Council no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published to inform the public that the proposed budget is available for public inspection and the date, time, and location of the public hearing concerning the budget.
3. A public hearing is held on the proposed budget at least ten days following publication of the call for the hearing.
4. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a budget and appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Total departmental expenditures constitute the legal level of budgetary control. That is, budgetary amendments involving the transfer of funds from one department, program or function to another or those involving increases in department expenditures resulting from proposed spending of revenues that exceed amounts estimated require approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policies and Budgetary Accounting (Continued)

7. General and special revenue fund budgets as presented for comparison in this report are adopted under the modified accrual basis of accounting. The proprietary public utility fund budget as presented for comparison is adopted under the accrual basis of accounting. Such budgetary methods are consistent with generally accepted accounting principles (GAAP). Budgeted amounts presented are as originally adopted or as amended from time to time by the Town Council. Such amendments were not material in relation to the original appropriation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

NOTE 2 - CASH AND INVESTMENTS

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. The following is a summary of cash, cash equivalents and investments at book value as of September 30, 2009:

Cash and cash equivalents:

Cash on hand	\$ 842
Louisiana Asset Management Pool	312,997
Demand deposits and savings accounts	427,861
Total cash and cash equivalents	741,700
Certificates of deposit	518,291
Total cash, cash equivalents and certificates of deposit	\$ 1,259,991

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposit balances (bank balances) at September 30, 2009 were secured as follows:

	Bank Balances
Federal deposit insurance	\$ 750,000
Pledged securities	239,856
Investments not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	312,998
Bank balances	<u>\$ 1,302,854</u>

As of September 30, 2009, the Town's total bank balances were fully insured and collateralized with securities held in the name of the Town by the pledging financial institution's agent and, therefore, not exposed to custodial credit risks. Investment by the Town in the LAMP is considered unclassified as to credit risk, as the LAMP is not evidenced by securities that exist in physical or book form.

Certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note 6. The following is a schedule of restricted cash and investment balances at September 30, 2009:

Proprietary Fund	Amount
Customer deposits	\$ 79,895
Debt service and capital projects	<u>204,962</u>
Total	<u>\$ 284,857</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2009 consists of amounts due from the Parish of Iberville for sales tax of \$160,448.

NOTE 4 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7, Section 18) provided that land and improvements for residential purposes are to be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (La. R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

NOTE 4 - AD VALOREM TAXES (CONTINUED)

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

The property tax calendar is as follows:

Millage rates adopted	September 29, 2008
Levy date	September 29, 2008
Due date	December 31, 2008
Lien date	January 1, 2009
Collection dates	December 1, 2008 to February 28, 2009

For the year ended September 30, 2009 taxes of 3.95 mills were levied for general government and public purposes on property with assessed valuations totaling \$3,949,265. Total taxes levied and collected were \$15,601 and \$12,863, respectively. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

(continued)

NOTE 5 - CAPITAL ASSETS

General Capital Assets

A summary of changes in general capital assets for the year ended September 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 165,515	\$ -	\$ -	\$ 165,515
Capital assets being depreciated:				
Buildings and improvements	545,005	-	-	545,005
Equipment and vehicles	979,806	59,673	-	1,039,479
Infrastructure	1,255,747	-	-	1,255,747
Total capital assets being depreciated	2,780,558	59,673	-	2,840,231
Less accumulated depreciation for:				
Buildings and improvements	463,468	13,156	-	476,624
Equipment and vehicles	707,696	83,422	-	791,118
Infrastructure	501,391	62,516	-	563,907
Total accumulated depreciation	1,672,555	159,094	-	1,831,649
Total capital assets, being depreciated, net	1,108,003	(99,421)	-	1,008,582
Governmental activities capital assets, net	\$ 1,273,518	\$ (99,421)	\$ -	\$ 1,174,097
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 8,852	\$ -	\$ -	\$ 8,852
Capital assets being depreciated:				
Utility plant	7,823,999	2,150	-	7,826,149
Buildings	17,742	7,180	-	24,922
Equipment and vehicles	255,117	95,588	-	350,705
Total capital assets being depreciated	8,096,858	104,918	-	8,201,776
Less accumulated depreciation for:				
Utility plant	2,237,700	185,780	-	2,423,480
Buildings	15,596	2,543	-	18,139
Equipment and vehicles	207,210	26,897	-	234,107
Total accumulated depreciation	2,460,506	215,220	-	2,675,726
Total capital assets being depreciated, net	5,636,352	(110,302)	-	5,526,050
Business-type activities capital assets, net	\$ 5,645,204	\$ (110,302)	\$ -	\$ 5,534,902

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 26,565
Public safety - police	28,862
Public safety - fire protection	28,862
Road and streets	<u>74,805</u>
Total depreciation expense - governmental activities	<u>\$ 159,094</u>

NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of debt transactions of the Town for the year ended September 30, 2009:

	Balance 9/30/08	Payments	Additions	Balance 9/30/09	Due Within One Year
Governmental Funds					
General obligation					
Certificate of indebtedness					
Series 2001	\$ 85,000	\$ 27,000	\$ -	\$ 58,000	\$ 28,000
Claims payable	60,184	-	-	60,184	60,184
Capital lease	<u>178,947</u>	<u>14,911</u>	<u>-</u>	<u>164,036</u>	<u>15,507</u>
Total governmental funds	<u>324,131</u>	<u>41,911</u>	<u>-</u>	<u>282,220</u>	<u>103,691</u>
Proprietary Fund					
1995 Waterworks Revenue Bond	979,154	14,847	-	964,307	18,715
2000 Sewer System Revenue Bond	498,915	6,067	-	492,848	7,556
2005 Sewer Revenue Bonds	511,112	5,149	-	505,963	6,404
Note payable	<u>-</u>	<u>9,394</u>	<u>78,243</u>	<u>68,849</u>	<u>14,719</u>
Total proprietary funds	<u>1,989,181</u>	<u>35,457</u>	<u>78,243</u>	<u>2,031,967</u>	<u>47,394</u>
Total long-term debt	<u>\$ 2,313,312</u>	<u>\$ 77,368</u>	<u>\$ 78,243</u>	<u>\$ 2,314,187</u>	<u>\$ 151,085</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at September 30, 2009, are comprised of the following:

Governmental Activities

\$240,000 Certificate of indebtedness dedicated for the acquisition of a fire truck and firefighting equipment - secured by a pledge of general revenues, principal due annually in May and interest due semiannually at 5.4%, maturing on May 1, 2011. \$ 58,000

Claims payable 60,184

Capital lease payable in 10 annual payments of \$22,052, maturing April 2018, bearing interest of 4%, collateralized by a vehicle. 164,036

Total long-term debt from governmental activities \$ 282,220

Enterprise Fund

Revenue Bonds:

\$1,144,000 Waterworks Revenue Bond secured by a pledge and dedication of water revenues, due in monthly installments of \$6,040 through May 27, 2037; interest at 5.625%. \$ 964,307

\$543,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,465 through August 23, 2040; interest at 4.5%. 492,848

\$525,000 Bond Anticipation Note secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,263 through April 23, 2045; interest at 4.125%. 505,963

Note payable in 60 monthly payments of \$1,460, maturing January 2014, bearing interest of 4.5%, collateralized by equipment. 68,849

Total long-term debt from business-type activities \$ 2,031,967

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Bond Restrictions

2000 Sewer Revenue Bond

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Sewer Revenue Bond and Interest Sinking Funds require monthly transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$237. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$18,905.
4. The Sewer Contingency Fund requires monthly transfers of \$237. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$18,906.

The Town of Maringouin has complied with the above conditions.

1995 Water Revenue Bond

In accordance with the indenture governing Water Utility Fund Revenue Bonds, cash is deposited into accounts administered by a trustee bank. These bonds are a direct liability of the enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Water Revenue Fund requires that all revenue derived from the operation of the system be deposited into the Water Revenue Fund. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Funds require monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Water Revenue Bond Reserve Fund requires monthly transfers of \$303. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$60,876.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

1995 Water Revenue Bond

4. The Water Contingency Fund requires monthly transfers of \$309. The fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Such payments into the fund are to continue over the life of the bonds. The current balance of the fund is \$61,915.

The Town of Maringouin has complied with the above conditions and restrictions.

Certificates of Indebtedness, Series 2001 - Under the agreement the Town is required to maintain certain reserves for the routine payment of interest and principal. The Town is in compliance with all terms of the certificate agreement.

The annual requirements to amortize outstanding debt principal and interest as of September 30, 2009 are as follows:

Year Ending 9/30/09	General Obligation Debt	Claims Payable	Capital Lease	Revenue Bonds	Note Payable	Total
2010	\$ 31,132	\$ 60,184	\$ 22,052	\$ 129,220	\$ 17,516	\$ 260,104
2011	31,620	-	22,052	129,220	17,516	200,408
2012	-	-	22,052	129,220	17,516	168,788
2013	-	-	22,052	129,220	17,516	168,788
2014	-	-	22,052	129,220	5,839	157,111
2015-2019	-	-	88,206	646,097	-	734,303
2020-2024	-	-	-	646,097	-	646,097
2024-2029	-	-	-	646,097	-	646,097
2030-2034	-	-	-	616,206	-	616,206
2035-2039	-	-	-	283,678	-	283,678
2040-2044	-	-	-	158,784	-	158,784
2045-2049	-	-	-	14,708	-	14,708
	<u>\$ 62,752</u>	<u>\$ 60,184</u>	<u>\$ 198,466</u>	<u>\$ 3,657,767</u>	<u>\$ 75,903</u>	<u>\$ 4,055,072</u>

Interest incurred and expensed for the year ended September 30, 2009 is \$112,169.

NOTE 7 - PENSION PLAN

Municipal Employees' Retirement System of Louisiana

Plan Description – Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan A.

All permanent employees working at least 35 hours per week who are paid wholly or in part from Town funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary multiplied for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed the lesser of 100% of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by La. R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the system under Plan A for the years ended September 30, 2009, 2008 and 2007 were \$33,317, \$29,208 and \$32,509, respectively, which were equal to the required contributions for each year.

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND OPERATING TRANSFERS

As of September 30, 2009, the Public Utility Fund owed the General Fund \$383,043. There were no operating transfers between funds in the 2009 fiscal year.

NOTE 9 - COMPENSATION TO GOVERNING BODY

In accordance with the Town's codified ordinances members of the governing board receive compensation in the amount of \$550 per month. The following is a schedule of payments to the board members in fiscal 2009:

<u>Mayor</u>	<u>Compensation</u>
John Overton	\$ 13,800
<u>Board Members</u>	
Kirkland Anderson	6,600
Demi Vorise	6,600
Samuel Collura	6,600
Edward James, Jr.	6,600
Charles Wright	6,600
	<u>\$ 46,800</u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES**Suits and Claims**

Various suits and claims arising in the ordinary course of operations are pending against the Town. The majority of the cases are either covered by insurance or other defenses, however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Town's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town.

Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past five years.

Grants

As a result of a prior federal audit conducted by the Office of the Inspector General, the Federal Emergency Management Agency has determined that \$60,184 in costs claimed by the Town for disaster clean up were either not allowable or were not supported. This liability has been recorded as long-term debt and is potentially payable from current general government resources. The Town has received other federal and state grants for specific purposes that are subject to review by the grantor agencies. Reviews of these programs could lead to requests for reimbursement by grantor agencies for costs, if any, that might be disallowed under the terms of the grant. Management believes that the amount of such disallowed costs, if any, would not be material.

NOTE 11 - PRIOR PERIOD ADJUSTMENT

During 2009, the Town discovered errors in the recording of 2008 transactions. The changes resulted in a decrease in the net assets of the Public Utility Proprietary Fund and Business-type Activities' Net Assets of the Government-wide basis. Changes to these balances are as follows:

	<u>Government-wide Business-type Activities</u>	<u>Public Utility Proprietary Fund</u>
Net assets, beginning of year, as previously stated:	\$ 3,887,132	\$ 3,887,132
Decrease for change in prior year accounts receivable	<u>(41,936)</u>	<u>(41,936)</u>
Net assets - as restated	<u>\$ 3,845,196</u>	<u>\$ 3,845,196</u>

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENT

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* address accounting for other postemployment benefits. The Town is required to adopt Statement 45 for the year ended September 30, 2010. Management for the Town has not yet addressed the impact of the adoption and whether it would have a material impact on the Town's financial statements.

**TOWN OF MARINGOUIN, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales and use	\$ 750,000	\$ 1,000,000	\$ 979,276	\$ (20,724)
Insurance premium	28,000	30,000	34,081	4,081
Ad valorem	16,000	16,000	12,863	(3,137)
Other	2,000	2,000	483	(1,517)
Licenses and permits	59,000	56,000	46,670	(9,330)
Fines	8,000	10,500	8,236	(2,264)
Intergovernmental	55,000	85,000	96,961	11,961
Miscellaneous	<u>25,600</u>	<u>77,221</u>	<u>23,925</u>	<u>(53,296)</u>
Total revenues	<u>943,600</u>	<u>1,276,721</u>	<u>1,202,495</u>	<u>(74,226)</u>
EXPENDITURES				
Current				
General government	224,165	239,965	248,799	(8,834)
Public safety:				
Police	234,776	239,076	244,772	(5,696)
Roads and streets	250,928	283,428	248,203	35,225
Capital outlay	<u>203,000</u>	<u>170,000</u>	<u>-</u>	<u>170,000</u>
Total expenditures	<u>912,869</u>	<u>932,469</u>	<u>741,774</u>	<u>190,695</u>
Excess of revenues over expenditures	<u>\$ 30,731</u>	<u>\$ 344,252</u>	460,721	<u>\$ 116,469</u>
FUND BALANCE				
Beginning of year			<u>800,985</u>	
End of year			<u>\$ 1,261,706</u>	

TOWN OF MARINGOUIN, LOUISIANA
FIRE PROTECTION FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes - sales and use	\$ 125,000	\$ 160,000	\$ 138,359	\$ (21,641)
Miscellaneous	<u>6,000</u>	<u>31,000</u>	<u>37,084</u>	<u>6,084</u>
Total revenues	<u>131,000</u>	<u>191,000</u>	<u>175,443</u>	<u>(15,557)</u>
EXPENDITURES				
Current				
Public safety - fire	67,800	91,800	96,510	(4,710)
Capital outlay	-	35,000	33,291	1,709
Debt service	<u>53,000</u>	<u>53,000</u>	<u>53,642</u>	<u>(642)</u>
Total expenditures	<u>120,800</u>	<u>179,800</u>	<u>183,443</u>	<u>(3,643)</u>
Excess of revenues over expenditures	<u>\$ 10,200</u>	<u>\$ 11,200</u>	(8,000)	<u>\$ (19,200)</u>
FUND BALANCE				
Beginning of year			<u>140,024</u>	
End of year			<u>\$ 132,024</u>	

TOWN OF MARINGOUIN, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2009

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

Basis of Accounting

All of the Town's budgets are prepared on the accrual basis of accounting as described in Note 1 to the Town's financial statements for the year ended September 30, 2009.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members
of the Board of Alderman
Town of Maringouin, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Maringouin, Louisiana, as of and for the year ended September 30, 2009, which collectively comprise the Town of Maringouin, Louisiana's basic financial statements and have issued our report thereon dated March 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Maringouin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Maringouin, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Maringouin, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Maringouin, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Maringouin, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the Town of Maringouin, Louisiana's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. [2009-01].

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Maringouin, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Town of Maringouin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards. [2009-02].

The Town of Maringouin, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Town of Maringouin, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Board of Aldermen, management of the Town of Maringouin, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Mettwill

March 30, 2010

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

A. SUMMARY OF AUDITORS' RESULTS

- (1) The auditors' report expressed an unqualified opinion on the financial statements of the Town of Maringouin, Louisiana as of and for the year ended September 30, 2009.
- (2) There were five significant deficiencies relating to the audit of the financial statements as reported at section B in this schedule.
- (3) There was one instance of noncompliance relating to the financial statements of the Town of Maringouin, Louisiana disclosed during the audit.

B. FINDINGS- FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2009-1 Legislative Audit Advisory Services Report

Observation: In March 2009, the Louisiana Legislative Auditor issued an advisory services report relating to the best practices review of Town operating practices. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action. The matters outlined in the report relate to the following:

- Segregation of Duties
- Cash receipts
- Utility Customer Accounts
- Purchasing and Disbursements
- Mayor's Court
- Traffic Tickets/Citations
- Occupational Licenses
- Payroll and personnel
- Gasoline and Diesel
- Written Policies and Procedures
- Ordinances
- Disaster Recovery Plan

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

The report cited several areas as follows:

Segregation of Duties

Observation: Accounting duties were not adequately segregated for a proper system of checks and balances. In particular, the following was reported:

- The utility clerk performs all accounting duties related to utility customer accounts.
- The Town clerk performs all accounting duties related to purchasing and disbursements.
- The Town clerk performs all accounting duties related to payroll.

Recommendation: The Town should implement the recommendations made in the Legislative Auditor's report.

Management's corrective action plan: Management has implemented the following:

- The Town exerts a significant amount of energy monitoring disbursements, which are summarized as follows:
 - The Mayor and Finance Committee chairman review all vendor invoices prior to cash disbursement.
 - The Mayor signs all check disbursements, including payroll.
 - The Mayor receives all unopened bank statements monthly and reviews cleared check disbursements for reasonableness.
 - The Mayor and Town Council monitor budget adherence monthly through review of on-going operating results compared to the adopted budget.
 - The Town Council is provided a detailed listing of check disbursements monthly for the previous month's payments that is itemized by check number and discloses the vendor or employee.
 - The Town hired an independent CPA firm to assist with the monthly preparation of the Town's financial statements.

With respect to specific recommendations, the following is for your review:

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Utility System

The Town agrees that additional procedures should be implemented to strengthen control over the financial administration of utilities. Subsequent to your review, the Town has implemented the following:

1. A daily reconciliation began to be performed with the billing system receipts to the bank deposit in January 2009. The reconciliations were performed for several months, but the process became inconsistent from May to December 2009. See comment below.
2. The Town clerk has access to the utility program. The independent CPA firm obtains reports from the billing system monthly relating to outstanding receivables, monthly revenue billings and customer adjustments. These reports are obtained independent of the Utility Clerk.
3. Customer adjustments, in their entirety, are provided to the Mayor for review and approval. Such adjustments, including approval, are maintained for each month to document this process.
4. Finally, the Mayor reviews delinquent accounts with appropriate action taken for unpaid amounts. Previously, the Town's Utility Chairman serving on the Town Council was responsible for this oversight. The responsibility has been moved to the Mayor.

As indicated above, the processes described above were implemented upon review of the LLA's findings and functioned reasonably for several months after the initial implementation period. However, the practice expected by management of the Town became inconsistent during 2009. In November 2009, the Town dismissed the Utility clerk for failing to perform duties expected. In December 2009, the processes described above are in place with reports for billing, collections, customer adjustments and delinquency review maintained as described above.

Based on the actions taken, management considers this matter resolved during 2010.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Purchasing and Disbursements/Payroll

The Town does not believe use of the utility clerk to perform functions assigned to the Town Clerk with respect to purchasing and disbursements is practical at this time. Furthermore, the Mayor is performing a number of functions as described on above to mitigate risks of centralized duties with the Town Clerk. The Town is presently satisfied with most practices in place.

However, the Mayor is initialing the monthly bank statements, invoices and payroll reports after review and submission to the Town Clerk. Furthermore, the CPA firm reviews the prepared bank reconciliations to enhance this monthly process. Finally, the CPA firm reviews the general ledger and supporting schedules for financial reporting oversight.

Cash Receipts

Observation: Controls related to cash receipts were recommended in the following areas:

1. The Town clerk, utility clerk, and a part-time student worker were collecting cash using the same cash drawer.
2. Monies collected were not consistently deposited on the same day received.

Recommendation: The City should implement the recommendations of the Legislative Auditor.

Management's corrective action plan: Management has implemented and is considering the following:

Cash Drawer

The Utility Clerk is the primary person collecting cash for utility payments. However, the Town Clerk and part-time worker did collect cash on-behalf of the Utility Clerk as needed in times when (a) multiple individuals were paying utility bills or (b) when the Utility Clerk is on lunch break.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

In response to the recommendation, the part-time worker has been prohibited from receiving cash from individuals paying utility bills. As a result, the utility clerk is the primary individual collecting payments on utility bills. However, the Town Clerk occasionally collects funds. Although the Town is not currently utilizing dual cash drawers, the Town will begin utilizing the additional cash drawer in 2010. Additionally, the Utility area has been secured with access granted to those currently bonded by the Town, except for the Town's CPA firm personnel.

Daily Bank Deposits

The Town Clerk deposits cash on a daily basis for amounts received from governmental sources.

The Town processes utility payment deposits at 3 o'clock each day and all funds collected prior to that time are counted, reconciled, and deposited the same day. The Town initiated this process in January 2009, but the practice was inconsistent during part of the year. However, new personnel are involved in the deposit process and the Town considers this matter resolved as of December 2009.

All deposits are prepared daily and delivered to the bank by one of the Town police officers.

Utility Customer Accounts

Observation: In addition to the lack of segregation of duties over the utility system, there are other areas identified in the report, as follows:

- 1) Monies deposited into the Town's bank account did not always agree with the payment amounts recorded as received from utility customers.
- 2) Management was not consistently terminating/cutting off utility services on all past due accounts.
- 3) Adjustments to customer accounts were not approved by the Mayor.
- 4) The total balance owed by all customers recorded in the utility system was not reconciled/agreed monthly to the total accounts receivable balance recorded in the accounting system (general ledger).
- 5) The Town's liability for repayment of customer meter deposits recorded in the general ledger was not reconciled monthly with the cash maintained in the restricted bank account or the customer meter deposit balances recorded in the utility system.
- 6) The Town's master water meter is broken.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Recommendation: The City should consider implementing the recommendations made by the Legislative Auditor.

Management's corrective action plan: Management has considered the recommendations made by the Legislative Auditor and has implemented the following corrective action:

Bank Deposit Differences

The Town found deposit differences related to clerical errors in the daily processing of utility payments, due to previously followed practices. Management has implemented procedures for the daily review and reconciliation of balances collected to amounts deposited. Based on the actions taken during the year, but most notably in December 2009, management of the Town considers this matter resolved.

Past Due Balances

The Mayor was unaware of the past due amounts owed by employees of the Town. Based on a review of the February 2009 receivable listing, all of the individuals listed have paid these balances due, including the Utility Clerk. However, subsequent months showed past due amounts arose relative to certain employees, including the utility clerk. The delinquent amounts are addressed with each employee, which primarily resulted in collection of the amount due. During late 2009, the Town began cut-off procedures particularly relating to employees with past due balances.

The Mayor and Town Council are very disappointed with the results communicated. The Town's Utility Committee was responsible for reviewing this matter. The Mayor has assumed responsibility of reviewing the delinquent list and receivable listing for employees of the Town on a monthly basis to review with the Town's Utility Manager.

Additionally, in December 2009, the Town began a mass cut-off process for delinquent utility users. The effort resulted in the collection of utility receivables. However, delinquency monitoring requires an on-going effort which the Town is committed to perform.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Adjustments to Customer Accounts not Approved by Mayor

Previously, adjustments to customer accounts were approved by either the Mayor or Utility Committee Chairman. However, small insignificant adjustments were not consistently approved.

Beginning in January 2009, all adjustments are being approved by the Mayor. Such adjustments were initially maintained by month with other relevant utility processing information. On the other hand, this process was found to be inconsistent in later months and appropriate action was taken by the Town, to include replacement of the utility clerk. In December 2009, this practice is being consistently followed.

Monthly adjustments are provided to the Town Clerk for entry into the general ledger so that a monthly matching can be made between the billing system and financial statements. Previously, adjustments were not provided to the Town Clerk.

Management of the Town considers this matter resolved based on the actions taken and current procedures in place.

Customer Balances not Reconciled

A process is in place to ensure a reconciliation of the amounts reported in the billing system is reconciled to the general ledger. The reconciliation was performed for January 2009. Based on the inconsistent practices performed by the previous utility clerk as mentioned above, the reconciliation required significant time and effort. Furthermore, the balances were reconciled at September 30, 2009 and are subsequently maintained.

Management considers this matter resolved.

Meter Deposit Balances not Reconciled

As described above with utility customer accounts, this account was periodically reconciled to the general ledger. The reconciliation is currently being performed. Furthermore, the amount of activity occurring is not significant in terms of volume, so management does not expect any discrepancies in the future. Additionally, the discrepancy identified in the report was not considered significant by the Town.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

The Town is comparing the cash on hand with the liability account in the general ledger. The cash held for utility customers is in excess of the liability amount. As a result, the Town has sufficient cash to honor all customer deposits held. The excess represents interest earned on these idle cash accounts.

Management considers this matter resolved.

Broken Master Water Meter

The Mayor was unaware of this matter as well as the time that has elapsed since the meter required repair. This matter was reviewed with the Town's Utility Manager for resolution and a meter has been installed.

Furthermore, monthly readings will be secured by the Utility Manager and supplied to the Town Clerk for monthly reconciliation to usage billed to customers. These results will be reported to the Mayor monthly. This process will begin in 2010.

Purchasing and Disbursements

Observation: Controls over purchasing and disbursements need to be improved.

- 1) During 2008, the Town did not follow the Public Bid Law for the purchase of an emergency rescue vehicle.
- 2) During 2008, the Town purchased a dump truck and did not maintain the City of Alexandria's bid contract to confirm the "piggybacked" bid contract.
- 3) Recurring purchases of fuel and chemicals both exceeded \$20,000 during the fiscal year and were not competitively bid.
- 4) *Each department of the Town does its own purchasing.*
- 5) The Town has incorrectly paid vendors twice for the same items/services.

Recommendation: The City should implement the recommendations made in the Legislative Auditor's report.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Management corrective action plan:

Public Bid Law/Piggyback Contract

The Town is closely monitoring large purchases that may require adherence to the public bid law so that the appropriate procedures can be followed for all purchases made.

Recurring Purchases

Management is reviewing current purchases that may exceed the limit described to set procedures for public bid. Management intends to bid such items in prospective years.

Purchasing not Centralized

Currently, all purchase orders are prepared by the Town Clerk. The Town Clerk is responsible for receiving all purchase orders for comparison to amounts budgeted to verify available funds.

However, department managers make purchasing decisions after receipt of a purchase order issued by the Town Clerk.

Duplicate Payments

Management was aware of a few duplicate payments made by the Town during the period under review. Such payments were either returned or credit was provided on the Town's account. This matter was discovered during 2008 and addressed appropriately. The Town Clerk discards vendor statements prospectively and marks invoices when paid so that duplicate payments are avoided. No additional duplicate payments are expected based on current internal practices.

Mayor's Court

Observation: There was no documentation of the board of aldermen formally appointing the Town attorney as the court magistrate

Recommendation: We recommend that the City comply with the Legislative Auditor's recommendations.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Management's corrective action plan: Subsequent to the issuance of the Legislative Auditor's report, the Town Council formally appointed the individual serving as the Town's Court Magistrate.

Traffic Tickets/Citations

Observation: Controls over traffic tickets/citations need to be improved.

- 1) The Town was no accounting for the numerical sequence of traffic tickets.
- 2) The Town was not reporting traffic violations to the Louisiana Department of Public Safety (DPS) as required by law.
- 3) All citations were not disposed of by trial or acceptance of a plea in open court, contrary to state law (R.S. 32:398.2.B).

Recommendation: We recommend that the City comply with the Legislative Auditor's recommendations.

Management's corrective action plan:

No Accounting for Tickets

In past years, management maintained this information in a software database. However, the database was lost during the period under review and the Town was unable to restore the previous database. Furthermore, management disagreed with the description of the comment used in the report. Management is correctly accounting for processed tickets and related cash receipts provided by the Police Officers and Court Magistrate.

However, the Town was not maintaining an accounting of tickets by ticket number. Management has obtained an access database from the Town's CPA firm which provides for a full accounting of the numerical sequence of tickets. Management has implemented the software program in late 2009.

Traffic Violations not Reported

Management will review this matter with the Court Magistrate and Chief of Police for appropriate action and resolution. Furthermore, the program described above provides reports that can be utilized to identify unpaid tickets. Reports available from the Town's database program will be used to address unpaid traffic tickets.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Improper Disposition of Citations

The Mayor has reviewed this matter with the Court Magistrate for appropriate future action.

Occupational Licenses

Observation: Controls over occupational licenses need to be improved. The Town does not have written policies and procedures for administering its occupational licensing program.

Recommendation: We recommend that the City comply with the Legislative Auditor's recommendations.

Management's corrective action plan: The Town will obtain an occupational license database from it's CPA firm to track and issue occupational licenses. As a result, the Town will automate the process of notification of businesses for annual license, license issuance and tracking of fees received and delinquent licenses.

This action plan is currently being implemented. The Town anticipates resolving this matter during 2010.

Payroll and Personnel

Observation: Controls over payroll and personnel were recommended for improvement.

- 1) The Town clerk and utility supervisor were not preparing time sheets documenting hours worked and leave taken
- 2) The Town did not have written records of vacation and sick leave earned or taken by employees.
- 3) The Town did not have the U.S. Department of Homeland Security – Form I-9, Employment Eligibility Verification, on file as required for all employees hired after November 6, 1986.

Recommendation: We recommend the City consider the Legislative Auditor's recommendations.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Management's corrective action plan:

Time Sheets

The two individuals identified prepare daily time sheets as recommended. The Town considers this matter resolved.

Leave Records

Leave information is tracked in an automated manner which allows for reporting of time by automated reports in the Town's accounting system. This matter is considered resolved.

Employment Eligibility Form

The Town has prepared the Form I-9 for the personnel files of active employees. The Town has resolved this matter.

Gasoline and Diesel

Observation: Controls over gasoline and diesel (fuel) need to be improved. Odometer readings and pump meter reading should be maintained by vehicle.

Recommendation: The City should consider implementing the Legislative Auditor's recommendations.

Management's corrective action plan: Management is performing the following with respect to gasoline and diesel usage.

1. The Town secures the fuel pump under lock at all times and restricts access. The Utility manager is primarily responsible for access to the fuel pump.
2. The Town is maintaining a daily log of fuel dispensed, which includes date, number of gallons, vehicle identification and signature.

Additionally, the Town began documenting a fuel pump reading and odometer reading from the vehicle. On the other hand, the Town is initiating a monthly analysis of fuel usage, so this matter is expected to be resolved in 2010.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2009-1 Legislative Audit Advisory Services Report (continued)

Written Policies and Procedures

Observation: The Town's written policies and procedures were not formally adopted by the board of aldermen.

Recommendation: The City should adhere to the Legislative Auditor's recommendation:

Management's corrective action plan: The Town has not completed the written policies and procedures as suggested. The Town will review this matter during the 2010 for resolution, to include conflict of interest considerations.

Ordinances

Observation: Ordinances adopted by the Board of Alderman were not signed by the Town Clerk and filed in the ordinance book.

Recommendation: The Town should comply with the recommendation.

Management's corrective action plan: The Town Clerk is signing all ordinances and maintaining a comprehensive file of these enacted items.

Disaster Recovery Plan

Observation: A disaster recovery plan was recommended in the Legislative Auditor's report.

Recommendation: The Town should consider drafting a disaster recovery plan.

Management's corrective action plan: The Town is presently using the Parish wide plan adopted by the Parish of Iberville, which the Town considers sufficient at this time.

On the other hand, the Town has not taken action on this matter, but will review the development of an internal document tailored for specific issues confronting the Town.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2009

B. FINDINGS- FINANCIAL STATEMENT AUDIT(continued)

NON COMPLIANCE WITH STATE LAWS AND REGULATIONS

2009-02 Louisiana Budget Law

Criteria: Louisiana Revised Statute 39:1311A(1) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

Condition: The Town of Maringouin's General Fund had an unfavorable variance of 5.81% of total actual revenues to budgeted total revenues.

Effect: The negative variance of revenues of more than five percent is a violation of Louisiana Revised Statute 39:1311A(1).

Recommendation: The Town of Marigouin shall evaluate budgets during the fiscal year and amend budgets for each applicable fund whose actual revenues exceed budgeted revenues by five percent or more.

Response: We concur with the finding. Budgets will be evaluated during the fiscal year and amended for each fund whose actual revenues exceed budgeted revenues by five percent or more.

TOWN OF MARINGOUIN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2009

A. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES:

2008-01 Lack of Segregation of Duties

Observation: There is not sufficient segregation of duties to have effective internal control. The small size of the administrative staff of the Town prevents a meaningful segregation of duties.

Current Years Status: Similar finding in current year.

2008-02 Improve Collections of Receivables

Observation: Accounts receivable includes a large balance of accounts that are ninety days past due. Collection efforts are in the process of being pursued.

Current Years Status: Similar finding in current year.

2008-03 Traffic Ticket Receipts

Observation: Traffic tickets were dismissed and were not properly documented to support why or by whom the ticket was dismissed.

Current Years Status: Similar finding in current year.

2008-04 Bill Edit Procedures

Observation: The bill edit sheets are filled out by proper personnel; however, there is a lack of consistent signature approval on majority of the sheets.

Current Years Status: Similar finding in current year.

TOWN OF MARINGOUIN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2009

A. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

2008-05 Occupational Licenses

Observation: The Town is not following its policy for delinquent payment of occupational licenses.

Current Years Status: Similar finding in current year.

2008-06 Employee Past Dues on Utility Accounts Receivable

Observation: The Town's Utility Accounts Receivable balance included \$3,491.00 of Town Official's and Employee's accounts of which \$2,689 was 90 days past due.

Current Years Status: There is no similar finding in the current year.

NON COMPLIANCE WITH STATE LAWS AND REGULATIONS

2008-07 Louisiana Budget Law

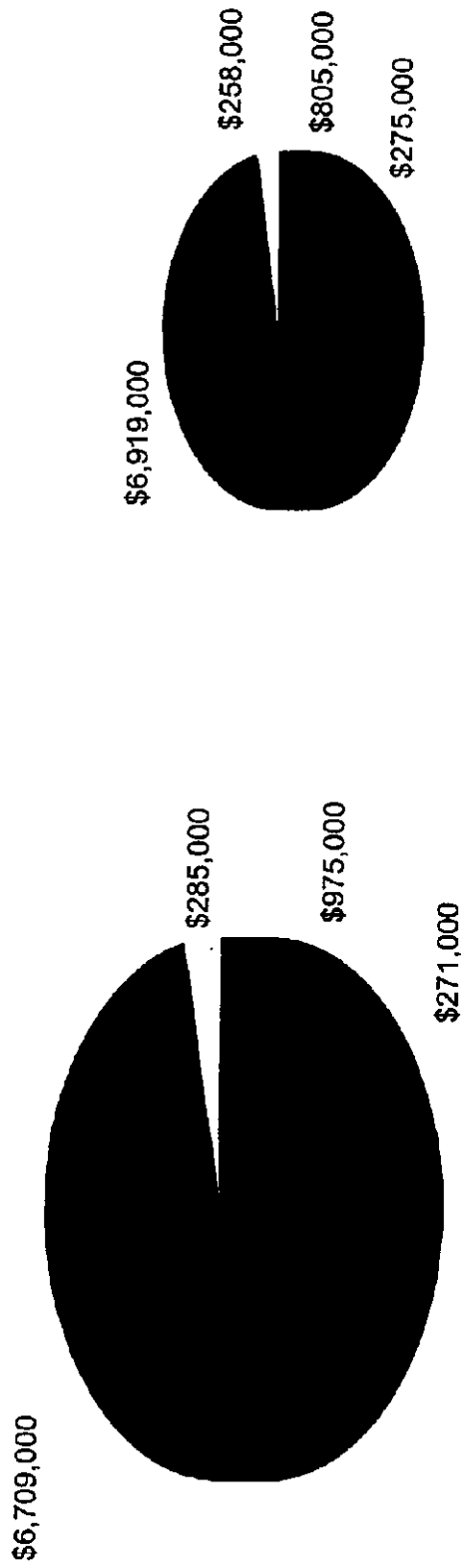
Observation: Louisiana Revised Statue 39:1310 requires that a budget shall be amended if their has been a change in operations upon which the original adopted budget was developed. This includes when total actual expenditures and other uses including projections, exceed the total budgeted expenditures and other uses by five percent or more.

Current Year Status: Similar finding in current year.

STATISTICAL INFORMATION

TOWN OF MARINGOUIN, LOUISIANA

ASSETS - GOVERNMENT-WIDE



SEPTEMBER 30, 2009

SEPTEMBER 30, 2008

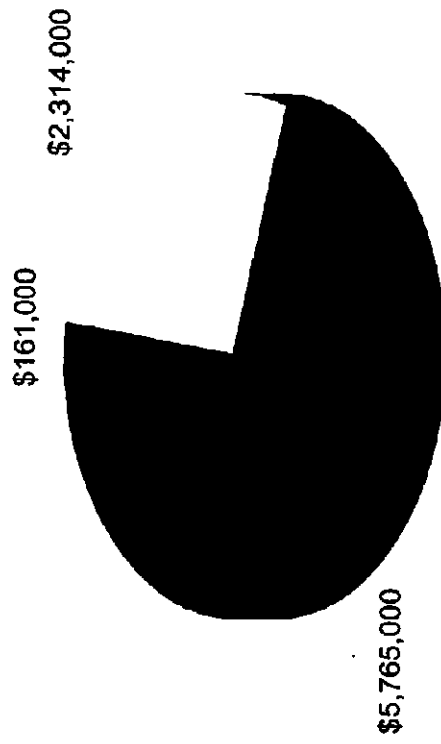
■ CASH & CASH EQUIVALENTS ■ RECEIVABLES ■ PROPERTY AND EQUIPMENT ■ RESTRICTED CASH

ASSETS = \$ 8,240,000

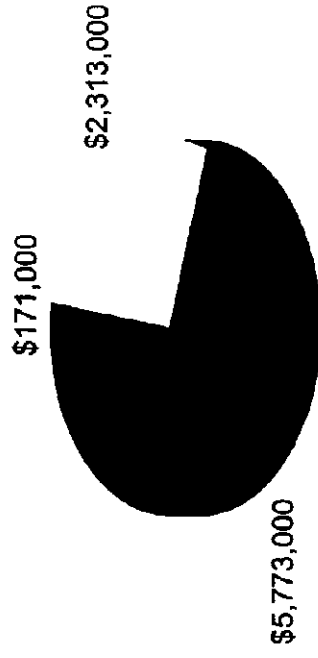
ASSETS = \$ 8,257,000

TOWN OF MARINGOUIN, LOUISIANA

LIABILITIES & NET ASSETS - GOVERNMENT-WIDE



SEPTEMBER 30, 2009



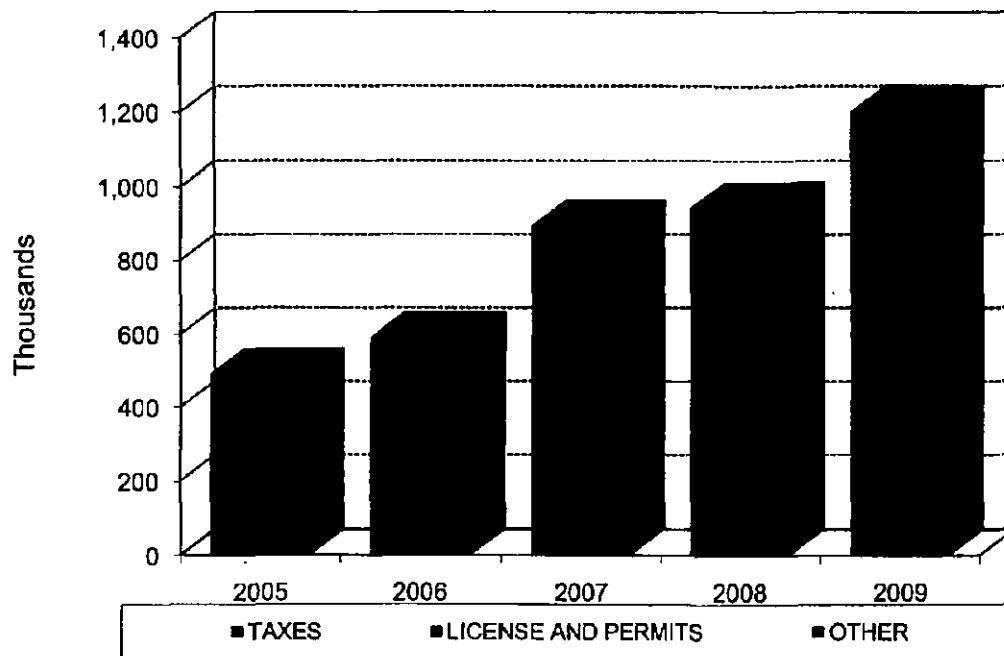
SEPTEMBER 30, 2008

■ LIABILITIES	DEBT	■ NET ASSETS
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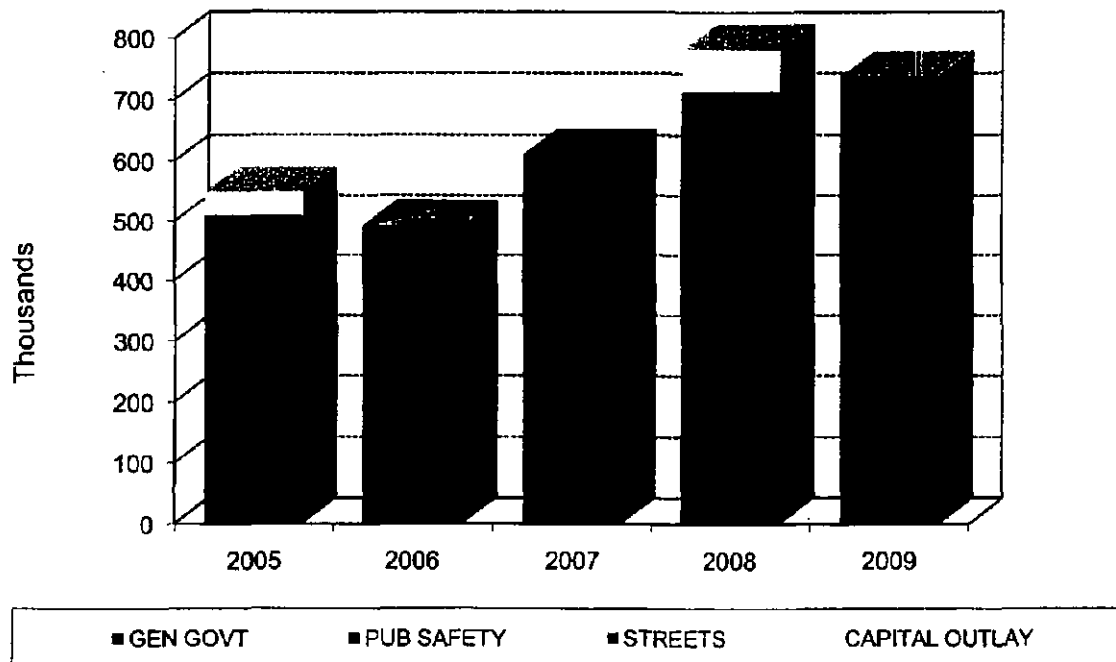
LIABILITIES = \$ 2,475,000
NET ASSETS = \$ 5,765,000

LIABILITIES = \$ 2,484,000
NET ASSETS = \$ 5,773,000

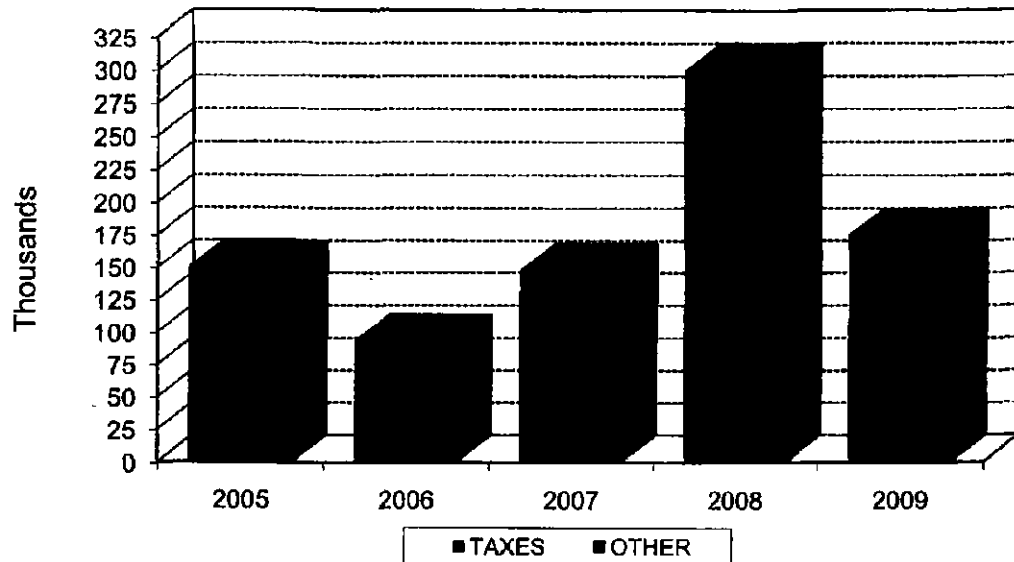
GENERAL FUND REVENUES TOWN OF MARINGOUIN, LOUISIANA



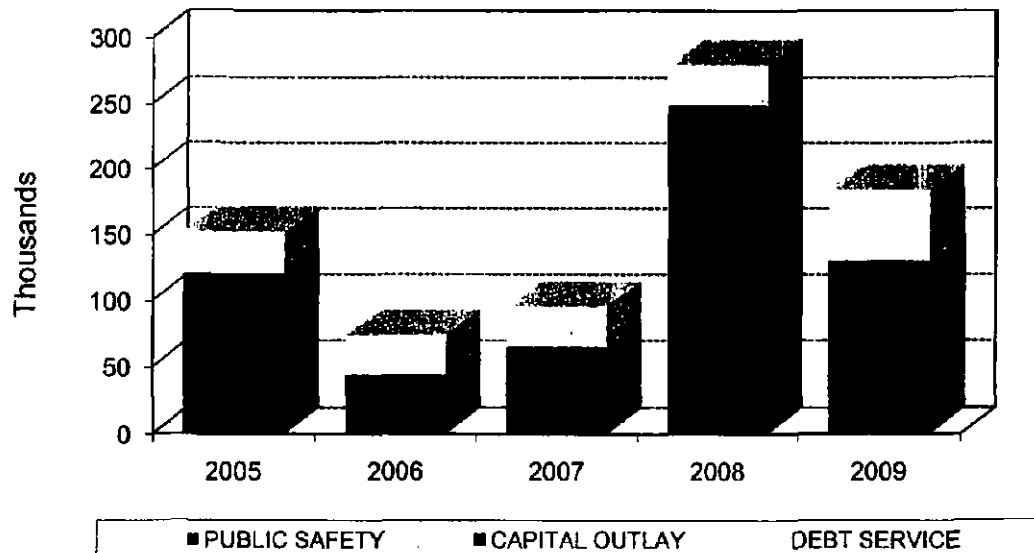
GENERAL FUND EXPENDITURES TOWN OF MARINGOUIN, LOUISIANA



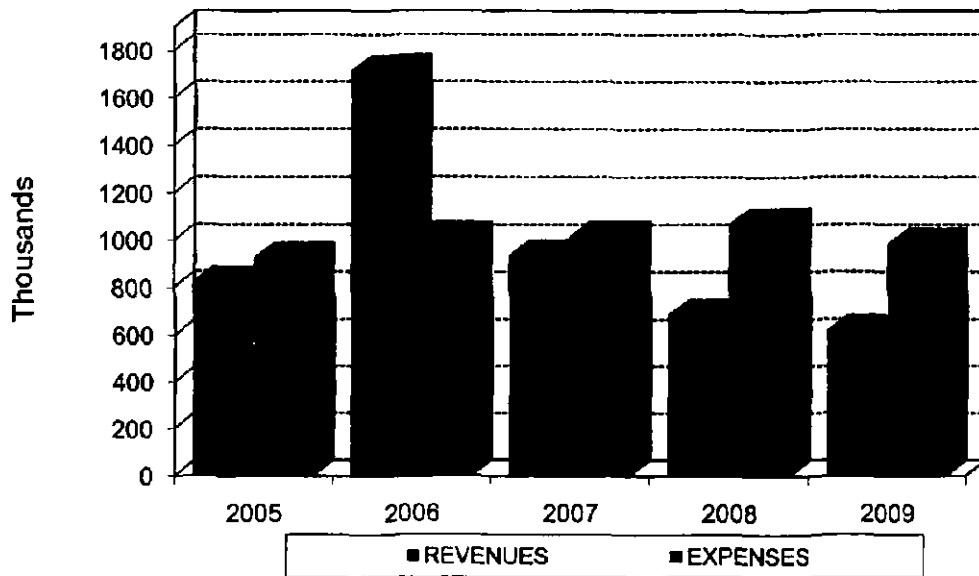
FIRE PROTECTION FUND REVENUES TOWN OF MARINGOUIN, LOUISIANA



FIRE PROTECTION FUND EXPENDITURES TOWN OF MARINGOUIN, LOUISIANA



UTILITY FUND REVENUES AND EXPENSES TOWN OF MARINGOUIN, LOUISIANA



UTILITY FUND EXPENSES

